## Message Text

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INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 NEA-10 IO-13 ISO-00 AGRE-00 AID-05 USIA-06 COME-00 TRSE-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 /114 W

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R 132205Z JAN 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 6228

INFO AMEMBASSY ABU DHABI

AMEMBASSY BANGKOK

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY COLOMBO

AMEMBASSY CONAKRY

AMEMBASSY DACCA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

USMISSION GENEVA

USMISSION OECD PARIS

USMISSION USUN NEW YORK

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E.O. 11652: N/A

TAGS: EAID, EFIN, EAGR

SUBJECT: INTERNATIONAL FUND FOR AGRICULTURAL

DEVELOPMENT (IFAD): SITE AND PRESIDENCY

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REF: 76 STATE 310551

1. EMBOFF MET JANUARY 12 WITH JULIO GIL, ASSISTANT DIRECTOR, OFFICE OF THE MINISTER OF STATE FOR INTERNATIONAL ECONOMIC AFFAIRS, TO SOLICIT GOV SUPPORT FOR U.S. POSITION ON IFAD. GIL SAID GOV HAS NOT TAKEN POSITION ON SITE AND TOP-

MANAGEMENT ISSUES AND IS UNLIKELY TO DO SO UNTIL AFTER CONSULTATION WITH OTHER OPEC COUNTRIES AND WITH GROUP OF 77. GOVE EXPECTS TO CONSULT WITH OTHER OPEC MEMBERS AT MEETING OF FINANCE MINISTERS IN EARLY FEBRUARY AND SHORTLY THEREAFTER WITH G-77, PROBABLY IN NEW YORK.

2. GIL SAID VENEZUELA IS IN GENERAL GREEMENT WITH U.S. VIEW THAT SITE SHOULD BE SELECTED WITH VIEW TO REDUCING ADMINISTRATIVE COSTS THROUGH SHARING SUPPORT STAFF FACILITIES OF EXISTING INSTITUTIONS. HE POINTED OUT THAT ROME, WHICH WILL BE INTERIM HEADQUARTERS, HAS THESE ATTRIBUTES AND ITALY IS PUSHING HARD FOR ITS SELECTION.

3. GIL DID NOT AGREE THAT BOTH THE SITE AND TOP MANAGEMENT OF IFAD SHOULD GO TO OCED AND OPEC DONOR COUNTRIES. HE THOUGHT THIS WOULD BE A BAD PRECEDENT WHICH WOULD BE RESENTED BY BENEFICIARY COUNTRIES. VENEZUELA WOULD NOT WISH TO OFFEND ITS FELLOW LDCS BY AGREEING TO ANY SUCH ARRANGEMENT. IN ANY EVENT, HE SAID POTENTIAL BENEFICIARY COUNTRIES WILL CONTROL ONE-THIRD OF THE VOTES IN IFAD AND WOULD BE ABLE TO BLOCK THE ELECTION OF A PRESIDENT IN VIEW OF THE REQUIREMENT THAT HE RECEIVE AN 80 PERCENT MAJORITY.

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4. GIL SAID VENEZUELA WILL PROBABLY
CONTINUE TO FAVOR A LATIN AMERICAN CANDIDATE
FOR PRESIDENT OF IFAD, ALTHOUGH NO SPECIFIC
CANDIDATE HAS BEEN SELECTED. HE SAID
A WELL-QUALIFIED LATIN AMERICAN FROM A
CATEGORY III COUNTRY MIGHT BE REGARDED AS
BEING MORE NEUTRAL THAN CANDIDATES FROM
OTHER CATEGORY III AREAS, SINCE LATIN
AMERICA AS A REGION WOULD NOT EXPECT
TO BENEFIT AS MUCH FROM IFAD AS OTHER AREAS.

5. GIL APPEARED CONFIDENT THAT THE VENEZUELAN CONGRESS WILL RATIFY THE ARTICLES OF AGREEMENT SOON AFTER IT RECONVENES IN MARCH. HE COMMENTED THAT VENEZUELA IS FIRMLY COMMITTED TO IFAD, AS ILLUSTRATED BY THE FACT THAT IT WAS AMONG THE FIRST COUNTRIES TO SIGN THE ARTICLES OF AGREEMENT.

6. COMMENT. WE SEE NO POSSIBILITY THAT
THE GOV CAN BE PERSUADED TO SUPPORT OUR
POSITION THAT BOTH THE SITE AND TOP-MANAGEMENT
OF IFAD SHOULD BE RESERVED TO DONOR COUNTRIES.
A CARDINAL PRINCIPLE OF VENEZUELAN FOREIGN
POLICY IS LDC SOLIDARITY ON MULTILATERAL
ECONOMIC ISSUES - A POLICY DESIGNED TO MUTE
CRITICISM BY NON-OIL LDCS OF OPEC PRICE INCREASES.

7. BASED ON THE GOV'S REACTION TO OUR DEMARCHE, A PRACTICAL USG APPROACH MIGHT BE TO SUPPORT ROME AS A LOGICAL PERMANENT SITE FOR IFAD, REGARDLESS OF THE NATIONALITY OF IFAD TOP-MANAGEMENT. WE SEE LITTLE HOPE THAT CATEGORY III COUNTRIES COULD BE EXCLUDED BY PRIOR AGREEMENT FROM THE TWO TOP-MANAGEMENT POSITIONS. LIMITED OFFICIAL USE

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WELL-QUALIFIED, RELATIVELY NEUTRAL CANDIDATES MIGHT THEN BE SUPPORTED, WITH DUE CONSIDERATION TO AN EQUITABLE DISTRIBUTION OF MORE BROADLY DEFINED TOP-MANAGEMENT POSITIONS AMONG ALL THREE MEMBER CATEGORIES.

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## Message Attributes

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